

ROUTING AND TRANSMITTAL SLIP		Date
		24 JULY 1986
TO: (Name, office symbol, room number, building, Agency/Post)		Initials Date
1. ADDA		<i>[Signature]</i> 24 JUL 1986
2. DDA		<i>[Signature]</i> 24 JUL 1986
3. D/OP (Rec'd Copy)		
4. DDA REGISTRY		
5.		
Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	
REMARKS		

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
	Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)

Prescribed by GSA
FPMR (41 CFR) 101-11.206

EXECUTIVE SECRETARIAT ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI				
6	DDA		X		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL	X			
14	D/PAO				
15	D/PERS		X		
16	VC/NIC				
17					
18					
19					
20					
21					
22					
SUSPENSE		Date			

Remarks

Executive Secretary

22 Jul 86

Date

LEE H. HAMILTON, INDIANA, CHAIRMAN

ROOM H-406, U.S. CAPITOL
(202) 225-4121LOUIE JES. OHIO
DAVE MCCURDY, OKLAHOMA
ANTHONY C. BEILSON, CALIFORNIA
ROBERT W. KASTENMEIER, WISCONSIN
DAN DANIEL, VIRGINIA
ROBERT A. ROE, NEW JERSEY
GEORGE E. BROWN, JR., CALIFORNIA
MATTHEW F. MCHUGH, NEW YORK
BERNARD J. DWYER, NEW JERSEY

U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE

ON INTELLIGENCE

WASHINGTON, DC 20515

Executive Registry

86- 3230X

BOB STUMP, ARIZONA
ANDY IRELAND, FLORIDA
HENRY J. HYDE, ILLINOIS
DICK CHENEY, WYOMING
BOB LIVINGSTON, LOUISIANA
BOB MCEWEN, OHIOTHOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL
STEVEN K. BERRY, ASSOCIATE COUNSEL

July 18, 1986

Honorable William J. Casey
Director of Central Intelligence
Washington, D. C. 20505

Dear Mr. Casey:

The Committee has received from your Office of Congressional Affairs information concerning the adverse effects on the Agency of the expected change in pension contribution recovery rules under H.R. 3838, the Tax Reform Act of 1986. Other federal agencies also have reported increases in retirements by senior employees who have decided to retire under the current favorable pension taxation rules rather than waiting to retire and incurring a substantial economic loss due to the Tax Reform Act's taxation of annuity payments representing recovered employee pension contributions.

As you know, both the House and the Senate versions of the legislation eliminate the existing special rule for tax-free recovery of pension contributions after retirement. Because both Houses have adopted provisions on this subject which are identical except as to effective date, no reversal of the decision to eliminate the special rule can be expected in the House-Senate conference on the bill.

We would appreciate being kept informed of your retirement statistics in the coming months and, in particular, of the number of retirements in which the retiring individual informs you that the reason for retirement is avoidance of the effects of the elimination of the pension contribution recovery rule. We would appreciate also being kept abreast of the Agency's plans to cope with the expected loss of experienced senior managers.

Sincerely,


Lee H. Hamilton
Chairman

Bob Stump
Ranking Minority Member

60-4